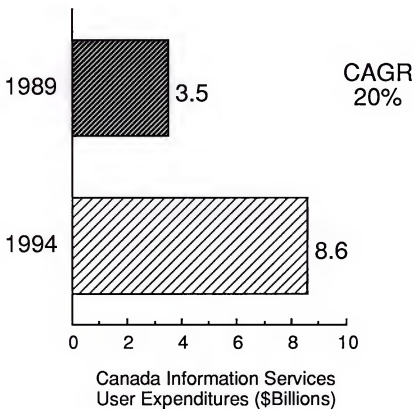


IBM Canada

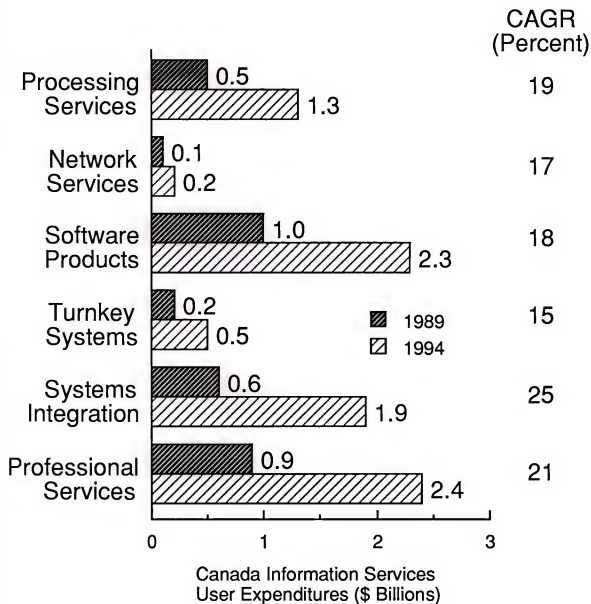
**R. Dennis Wayson
Vice President**

October 6, 1989

Total Information Services Market 1989-1994



Total Information Services Sector Forecast by Delivery Mode



Sample Prospect Profile

Item	Example
Revenue Size	<p>10-20 M to 20 maximum if accounts only</p> <p>15-30 maximum if some/all of the hardware systems are retained</p> <p>Negligible nondata services (or at least problem-free)</p>
Growth	<p>Currently at 30% per annum</p> <p>Historically higher</p>
Profit	<p>Now, immaterial (if clear potential)</p> <p>Future, minimum after tax profit of 10%</p>
Service Business	<p>Not dependent on particular "key" individuals, not project-based</p> <p>Repeatable, average account of \$10K/annum</p> <p>Compatible users (in sectors that we currently service or that are related)</p> <p>Location(s) . . . (specified)</p>
Hardware	<p>Compatible/same as ours if integration</p> <p>Standards based architecture—open systems</p> <p>Rented/short lease—not owned/long lease</p>

Sample Prospect Profile

Item	Example
Management/Staff	No/few shareholders, not entrepreneurial If integrating, emphasis on strong middle management; if not, strong period
Products/Services	Mature/competitive Good market image, name brands Complementary, unless ours is weak
Ownership	Prefer large/majority owner Fewer than five small owners No/few/unimportant managers
Approach	No commitment on redundancies Stress good synergy with us Guarantees to customers Growth opportunities for management

INPUT

1280 Villa Street, Mountain View, CA 94041 (415) 961-3300
Telex 171407 FAX (415) 961-3966

ROWENA PELAYO
Research Analyst

5 FOILS :

213 2 for CANADIAN IS MARKET

2 from MSA REPORT :

54 3 EX. IX-1A "Sample project profile"

54 EX. IX-1B "Sample project profile"

1 cover foil w/text:

1

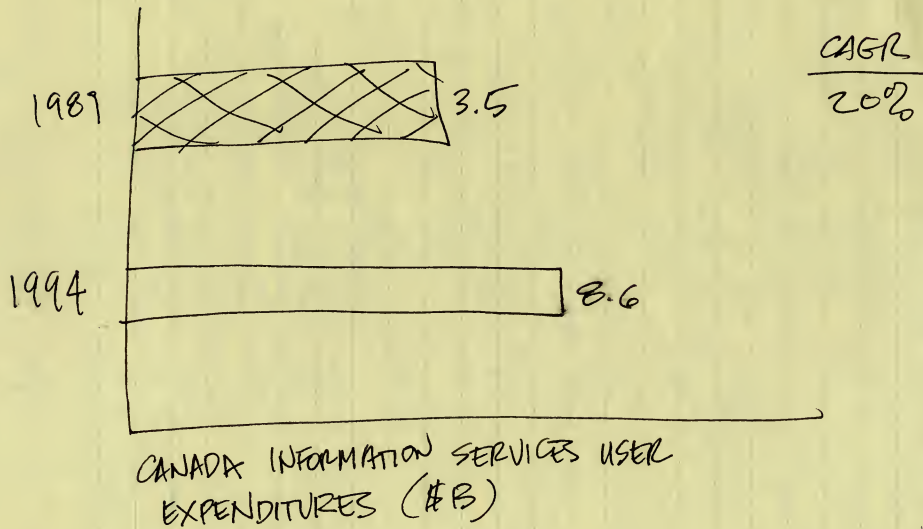
IBM CANADA

OCTOBER 6, 1989

R. DENNIS WATSON
HIS TITLE



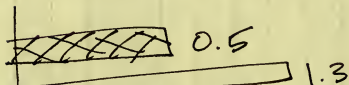
TOTAL ~~CANADA~~ INFORMATION SERVICES MARKET 1989-94



TOTAL INFORMATION SERVICES SECTOR FORECAST BY DELIVERY MODE

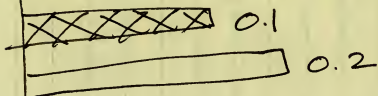
CAGR?

PROCESSING
SERVICES



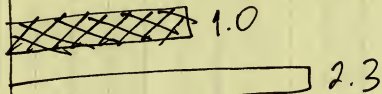
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NETWORK
SERVICES



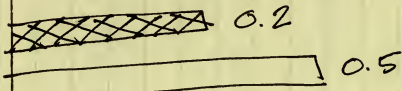
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PRODUCTS



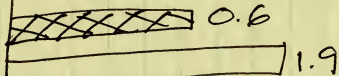
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TURNKEY
SYSTEMS



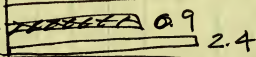
15%

SYSTEMS
INTEGRATION



25%

PROFESSIONAL
SERVICES



21%
3
2

CANADA INFORMATION SERVICES USER EXPENDITURES
(\$B)

EXHIBIT IX-1a

SAMPLE PROSPECT PROFILE

Item	Example
Revenue Size	<p>10-20 M to 20 maximum if accounts only</p> <p>15-30 maximum if some/all of the hardware systems are retained</p> <p>Negligible nondata services (or at least problem-free)</p>
Growth	<p>Currently at 30% per annum</p> <p>Historically higher</p>
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Hardware	<p>Compatible/same as ours if integration</p> <p>Standards based architecture—open systems</p> <p>Rented/short lease—not owned/long lease</p>

K940-4



EXHIBIT IX-1b

SAMPLE PROSPECT PROFILE

Item	Example
Management/Staff	No/few shareholders, not entrepreneurial If integrating, emphasis on strong middle management; if not, strong period
Products/Services	Mature/competitive Good market image, name brands Complementary, unless ours is weak
Ownership	Prefer large/majority owner Fewer than five small owners No/few/unimportant managers
Approach	No commitment on redundancies Stress good synergy with us Guarantees to customers Growth opportunities for management

The example shown is typical of a services vendor with an excess of \$50 million in revenues. However, there are more and more instances of large companies that have little or no current involvement with the services market that are making significant acquisitions.

KQAD-5

